

**Example of
Calculation of FPJP Collateral Value in Covering
Negative Demand Deposit Balance of Bank**

1. FPJP Collateral in the form of SBI

On June 12, 2007, Bank "A" experienced a negative balance in its demand deposit account and so it requested for an FPJP. Bank "A" held 2 (two) SBI series with a total nominal value of Rp150 billion in the following detail.

- a. 1 month SBI of IDBI21060728C series with characteristics: nominal value of Rp100 billion, weighted average discount rate upon issuance at 8.75000%, maturity date on June 21, 2007, remaining days to maturity of 9 days, with a price of 99.78173 (as announced in the BI-SSSS).
- b. 3 month SBI of IDBI09080791S series with characteristics: nominal value of Rp50 billion, weighted average discount rate upon issuance at 7.83333%, maturity date on August 9, 2007, remaining days to maturity of 58 days, with a price of 98.75369 (as announced in the BI-SSSS).

Calculation of SBI trade value :

$$\text{a. 1 month SBI} = \text{Rp100 billion} \times \frac{99.78173}{100} = \text{Rp99,781,730,000.00}$$

$$\text{b. 3 month SBI} = \text{Rp50 billion} \times \frac{98.75369}{100} = \text{Rp49,376,845,000.00}$$

$$\text{Total of a + b} = \text{Rp149,158,575,000.00}$$

The collateral value (in the form of SBI) to be offered by Bank "A" amounted to 100% of FPJP it requested to cover the negative balance in its demand deposit account.

Based on the abovementioned calculation, the maximum negative balance in the demand deposit account which might be covered through the FPJP (cash value) was 100% of SBI trade value, namely **Rp149,158,575,000.00**.

2. FPJP Collateral in the form of SUN

On June 12, 2007, Bank "A" experienced a negative balance in its demand deposit account and so it requested for an FPJP. Bank "A" held 3 (three) SUN series with a total nominal value of Rp150 billion in the following detail.

a. ON ...

- a. ON of FR0028 series with characteristics: 50,000 units, nominal value of Rp50 billion, interest rate at 10.00000%, maturity date on July 15, 2017, remaining days to maturity of 3686 days, with a price of 108.05988 (as announced in the BI-SSSS).
- b. ON of ZC0000 (zero coupon bond) series with characteristics: 50,000 units, nominal value of Rp50 billion, interest rate at 8.24372%, maturity date on November 20, 2008, remaining days to of 527 days, with a price of 89.19250 (as announced in the BI-SSSS).
- c. SPN of SPN2008052801 series with characteristics: 50,000 units, nominal value of Rp50 billion, discount rate at 8.40000%, weighted average discount rate upon re-opening at 8.44539%, maturity date on May 28, 2008, remaining days to maturity of 351 days, with a price of 93.99088 (as announced in the BI-SSSS).

SUN market price shall be calculated as follows.

- a. ON market value = $\text{Rp50 billion} \times \frac{108.05988}{100} = \text{Rp54,029,940,000.00}$
- b. ON_{ZC} market value = $\text{Rp50 billion} \times \frac{89.19250}{100} = \text{Rp44,596,250,000.00}$
- c. SPN market value = $\text{Rp50 billion} \times \frac{93.99088}{100} = \text{Rp46,995,440,000.00}$

Total of a + b + c = Rp145,621,630,000.00

The collateral value (in the form of SUN) to be offered by Bank "A" amounted to 105% of FPJP it requested to cover the negative balance in its demand deposit account.

Based on the abovementioned calculation, the maximum negative balance in the demand deposit account which might be covered through FPJP (cash value) was $\{(\text{Rp54,029,940,000.00} \times 100/105) + (\text{Rp44,596,250,000.00} \times 100/105) + (\text{Rp46,995,440,000.00} \times 100/105)\} = \text{Rp138,687,266,666.67}$.

3. **FPJP Collateral in the form of SBI and SUN**

On June 12, 2007, Bank "A" experienced a negative balance in its demand deposit account and so it requested for FPJP. Bank "A" held one SBI series and one SUN series with a total nominal value of Rp150 billion in the following detail.

- a. 1 month SBI of IDBI21060728C series with characteristics: nominal value of Rp100 billion, weighted average discount rate upon issuance at 8.75000%, maturity date on June 21, 2007, remaining days to maturity of 9 days, with a price of 99.78173 (as announced in the BI-SSSS);

b. ON ...

- b. ON of VR0020 series with characteristics: 50,000 units (nominal value of Rp50 billion), interest rate of 8.10000%, price of 98.96500 (as announced in the BI-SSSS), maturity date on April 25, 2015, remaining days to maturity of 2874 days.

Calculation of SBI trade value ON market value :

$$\text{a. 1 month SBI} = \text{Rp100 billion} \times \frac{99.78173}{100} = \text{Rp99,781,730,000.00}$$

$$\text{b. ON market value} = \text{Rp50 billion} \times \frac{98.96500}{100} = \text{Rp49,482,500,000.00}$$

$$\text{Total of a + b} = \text{Rp149,264,230,000.00}$$

Based on the abovementioned SBI trade value and SUN market value, the maximum negative balance in the demand deposit account which may be covered through FPJP (cash value) was Rp99,781,730,000.00 + (Rp49,482,500,000.00 \times 100/105) = **Rp146,907,920,476,19.**